

IS YOUR HOME SAFE?



"Under The Old Party System Of Government."



"Under The Farmer-Labor (C.C.F.) Government."

WHAT IS THE PROPOSED LAND POLICY OF THE FARMER-LABOR GROUP?

The Liberals tell you that it is a scheme to fasten serfdom and collectivization on the farmers of Saskatchewan. The Conservatives denounce the policy as one drawn up by the Soviet government of Moscow.

What are the facts?

The great majority of the farmers of the Province purchased land in times of inflation, when land reached unprecedented prices in the West ranging from \$35.00 to \$125.00 an acre, according to the district. At that time wheat and other farm commodities were also selling at inflated values. Accordingly the price of land was not so greatly out of line with the price of commodities that the farmer was raising.

Now after four years of deflation the farmer finds himself hopelessly in debt, endeavoring to repay a debt contracted in times of inflation with money which has been severely deflated. In the meantime, Professor Wm. Allen of the University of Saskatchewan, has pointed out that 93.2 per cent of farm owners in Saskatchewan are in debt today. As a result of this deflation, land prices have collapsed and so little monetary value is attached to land that it is difficult to find a financial institution in Canada which would grant a \$1,000 mortgage on an improved half-section of Saskatchewan land. That being the case, the entire equity of the farmer has been wiped out if present time laws are allowed to apply, and the returns of a lifetime of toil for himself, his wife and his children are represented today by property mortgaged for at least twice what it is worth as an economic proposition.

Worse than that, should the farmer possess any other property or securities, which he has been able to keep free of encumbrance, that property may be held in law liable for the difference in the selling price of the mortgaged property, should it be sold under repossession and fail to yield enough to repay the mortgage indebtedness. This is what is known as the Personal Covenant clause. It is in every mortgage. The leading Liberals and Conservatives united to keep it there at the last Session of the Legislature.

WHAT THE FARMER-LABOR LAND POLICY IS

The Farmer-Labor Land Policy is a policy of security to the Farmer and his family. It does not envision any system of Government farming or collectivization, nor does it purpose to take away from the Farmer any right that he possesses now. For the purpose of arriving at a clear understanding let us illustrate by example: In 1925, a farmer found it necessary in order to have finances, to place a mortgage on his farm. The Inspector for the Mortgage Company visited his property, estimated the value of the land to be \$40.00 an acre, and granted a loan of \$20.00 an acre. Now under that arrangement the farmer as well as the Mortgage Company possessed a 50 percent. equity in that property. Today as a result of the economic collapse, the land is worth, we will say, only \$10.00 an acre. That means according to present laws, that the farmer no longer possesses any equity whatsoever and that should the Mortgage Company decide to sell the land it would only realize 50 percent. of the original principal advanced, but under the present laws enacted by Conservative and Liberal parties, if this farmer should own other property, or if he should at any time later on possess worthwhile assets, the Mortgage Company will proceed to collect the other 50 percent. of their equity together with interest by due process of law. This is the effect of the Personal Covenant clause already referred to.

PRESERVING EQUITIES

Now under the Farmer-Labor plan, a Board of Valuers would be set up by the Government. The farmer who finds himself in the position of being unable to continue to farm under the conditions set forth above, appeals to the Board for an adjustment. The Board having determined that the present price of land is, say, \$10.00 an acre, also having found out by investigation that the farmer had originally a 50 percent. equity in this land, will make settlement

in this way: To the Mortgage Company for its 50 percent equity, the Government will issue non-interest bearing bonds for \$5.00 an acre; and to the farmer for his original 50 percent equity, the Government will give non-interest bearing bonds for \$5.00 an acre, also, but that is not all. In addition, the Board will give to the farmer a Use-Hold Title, a title which gives its possessor every power of a Torrens Title, excepting that of being able to place a mortgage on it. This Use-Hold Title the farmer may keep as long as he wishes to farm. He may will it to his family at death; or should he desire to engage in any other occupation he may sell the improvements that he has placed on the farm to another individual or to the Government Board itself. In addition he has his equity in the form of his land bond. Under the individual adjustment plan of the Liberal Party he would only have months, perhaps years, of worry and then—nothing!

METHOD OF REPAYMENT

Now as to the question of the method of repayment. It should be understood that at present the Natural Resources of Saskatchewan are barely scratched. As a simple illustration, Saskatchewan has in the Northeast section a forest area equivalent in size to that of Sweden's, where the trees are growing in similar soil under like climatic conditions, that today represents no commercial value to the people of Saskatchewan. Yet Sweden enriches itself to the extent of \$100,000,000 annually as the result of scientific control of its forest area under Government ownership and supervision. Other illustrations could be given from Saskatchewan's giant clay and coal deposits. So repayment will largely be made out of the newly developed Natural Resources. Until this development of Natural Resources is properly organized, it is possible that the farmer under a Use-Hold Title will have to produce and pay a fractional share of the cost of redeeming these bonds. But when it is understood that he is paying no interest on these bonds, that the price paid finally for redeeming the land is only a small part of the original inflated investment, and that these repayments will be spread over a period of about 25 years or more, thereby necessitating a redemption fund of only 4 per cent or less a year, the bogey man raised by the apologists for the present debt-ridden system is shown up in its true light.

VOLUNTARY — NOT COMPULSORY

One other important point: What is going to happen to the man who possesses a Torrens Title, which is not encumbered by any indebtedness? Or what will become of the man who has his farm mortgaged or otherwise indebted and does not wish to come under the land policy proposed by the Farmer-Labor Group? Well, the answer to that is clear. No farmer will be forced or even asked to surrender his Torrens Title. The Land Policy of the Farmer-Labor Group is Security of Tenure, and certainly the man owning his own land already has security of tenure; and if he is satisfied with it, he will retain his Torrens Title.

If, on the other hand, like many who see certain disadvantages to the Torrens Title system, he wishes to have his land brought under the Use-Hold system, he will be treated exactly the same as the indebted group of farmers is treated, that is to say, upon surrender of his Torrens Title, he will receive non-interest bearing bonds for the arbitrated value of his land and in addition will receive a "Use-Hold" title, guaranteeing him similar security to that already received by the other group.

THE ALTERNATIVE — CORPORATION FARMING

The alternative of the Land Policy of the Farmer-Labor Group is clearly indicated by what is happening in South-eastern Saskatchewan and South-western Manitoba. There, nine Mortgage Companies and the Land Department of the C.P.R., have come together under the name of Colonization Finance Corporation, for the purpose of engaging in Corporation farming with the former owner as a tenant under the direction of a General Manager, Mr. F. W. Reinisch, assisted by fourteen zone managers. This Corporation advises that it costs 20c an acre to maintain their salaried staff. The Corporation

itself pays 10c an acre and compels the exowner to pay the other 10c. All farming operations must be carried out exactly as ordered by the Managers and the penalty for disobeying instructions is that the contract is null and void and all equity that the farmer owner possessed in the land is forfeited to the Mortgage Corporation. It is quite possible that if this plan proved successful from the standpoint of the Mortgage Companies that the system will be rapidly extended by blocks to take in all the main holdings of the Mortgage Companies in Saskatchewan and throughout Western Canada.

THE CHOICE

The choice then today is between Corporation Farming, with the former independent farmer as tenant; or individual farming with the farmer protected by a "Use-Hold" title. The Liberal and Conservative parties stand four square behind the Mortgage Companies. That is clearly revealed by their votes in the Saskatchewan Legislature and by Mr. Gardiner's statement at the meeting of the Saskatchewan Liberal Council in January 1934 when he said. "So long as the Liberal Party is in power we will preserve the equity of both the creditor and the debtor." On the other hand, the Farmer-Labor Group stands firmly behind the farmer and against the predatory activities of the Mortgage Companies and their henchmen. Remember when you cast your ballot next election day that you are voting **FOR** or **AGAINST** this issue! We believe that the duty of a Government is to serve the people; and steadfast in this belief, we have adopted as our slogan **"HUMANITY FIRST"**. That in its essence is the Land Policy of the Farmer-Labor Group.

AN ILLUSTRATION

"A piece of land purchased some years ago for \$5,000.00 is mortgaged for \$2,000.00 at 7 per cent. If the interest charge, amounting to \$140.00 annually, is paid regularly each year for, say, 50 years, the farmer and his successor at the end of the period will have paid in interest charges \$7,000.00. And what was the amount with which he started: A \$2,000.00 mortgage.

OUR POLICY

The land is revalued on an economic productive basis, let us say, \$2,500.00.

Use Hold title is issued to the farmer. Non-interest bearing bonds are then issued to the farmer and the Mortgage Company in proportion to their respective equities. The original equity of the Mortgage Company was say 50 per cent. It will still be 50 per cent, or \$1,250.00. Again let us say the bonds run for fifty years.

In order to retire the respective equities of the Mortgage Company and the farmer the following annual payments will have to be provided for in the manner explained on page three of this pamphlet:

(a) To the Mortgage Company	\$25.00
(b) To the farmer	25.00

TOTAL: \$50.00

Of this sum \$25.00 goes right back into the the farmer's own pocket. Therefore this is the contrast:

Under the present system — \$140.00 in interest alone each year.
Under our system — — — \$25.00 a year principal, the bonds bearing no interest.

Meantime the farmer has a use hold title to his land which he may will to his next of kin for their use after him. His equity is his to dispose of when he leaves the land and all improvements are his also.

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